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# Open Systems of International Organization

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Most analysts of International Organizations (IOs) depart from a view of bounded entities, with a strict separation of inside and outside, hierarchically organized, and based on rule-conformity and enforcement. While there is great variation in explanatory emphasis between those that advance principal-agent analyses and those that look at organizational culture, they share a view of IOs as actors with distinct attributes. While these theories have advanced our understanding of the role and functioning of IOs in world politics, they have also produced some significant blind spots. These blind spots include an inability to explain the proliferation of issue-areas that different IOs claim authority over, the degree of cooperation and competition between IOs, and the logic by which changes occur simultaneously across different IOs. We advance an 'open systems' view of IOs as institutional ecologies, where they are seen as an emergent phenomena - produced by variable configurations of the factors that make IOs what they are. We focus on the culture - a term to be specified - of the professionals that work in and populate IOs, arguing that the shifting evaluative criteria and value systems that they inculcate matters more to the changing landscape of IOs than other factors. This means that rather than making strong claims about the attributes of IOs and then use IO behavior as *explanans* for political outcomes, we make IOs the *explanandum* and shift explanatory focus to what produces the differences and similarities in IOs' attributes over time. We demonstrate the added value of this analytical perspective by discussing some significant changes that extant theory cannot fully explain, including the proliferation of issue-areas populated by more than one IO, the transformation from rule-enforcement to client-orientation in international organization, and the increased use of private-public partnerships in IO operations.

**Keywords:** international organizations; professions; professionalism; institutional ecologies; transnationalism; delegation; distributed agency; organizational culture; orchestration.

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## Introduction

This paper provides an analytical framework that is primarily aimed at accounting for the constitution and evolution of IOs as distinct actors. We therefore take IOs as our *explanandum*. We advance an argument for studying international organizations (IOs) and acts of international organization as an ‘open system’ (Scott 1981). Our argument, in short, is that international organization is the consequence of relations established in institutional ecologies that have porous boundaries and cannot be understood as traditional bureaucracies. This open system of institutional ecologies has important implications for how we think about IOs and how they operate, as well as how international organization actually occurs. There is an empirical argument about a significant transformation here as well: Whereas IOs may very well have been best characterized as bureaucratic organizations up until two decades ago, significant changes have occurred in world politics that now render this categorization less useful: IOs are not hierarchically organized, they don’t run on rules, and their role is not to enforce compliance. Rather, contemporary IOs are best understood as market actors that compete with each other to identify, define and sell solutions to problems.

This working paper proceeds in three sections. First we discuss the conceptualization of IOs. Second we discuss IOs within what we depict as closed and open systems. Here we discuss approaches to IOs and international organization more generally, including the new work on ‘orchestration’ (Abbott et al. 2014). We locate our approach to IOs as institutional ecologies as part of a general shift from viewing IOs in closed systems to viewing them in open systems. We also seek to make clear the added value of thinking about IOs as institutional ecologies, as open systems, compared to other conventional approaches. The third section discusses changing conceptualizations of professionalism in IOs and their surrounding environment. Evidence for this section was gathered during interviews between 2011-2014 with staff and managers within IOs, including the International Monetary Fund, the World Bank, various agencies within the UN system, the European Investment Bank, and the Organisation for Economic Co-Operation and Development. We also spoke to recruitment agencies involved in selecting professionals for IOs. We conclude in

reflecting on not only the changing role of IOs in international organization, but how IOs are changing.

## 1. Conceptualizing International Organizations

What is an international organization? Extant theories vary considerably in how they answer this question. Theories organized around organizational design (Koremenos et al 2001) or principal-agent theory (Hawkins et al 2006), treat IOs as having a set of core attributes but only *qua* an agent to which states, as principals, delegate authority. For this reason, an IO is defined as an actor that is distinct from principals, but an actor that is operating under very distinct constraints, defined by the set-up of the P-A model. The model assumes that the both states (principals) and IOs (agents) engage in cost-benefit analyses and have distinct preferences. As such, theories based on P-A models often define IOs as bureaucracies that have an element of (delegated) authority, the scope and nature of which is to be explained by the P-A model. As Hawkins et al argues, IOs are “bureaucracies that .... can be more or less controlled by their political masters.” (2006, 5). Most importantly, IOs are here seen as actors that are created by states, but actors nonetheless, since P-A models assume that agents have independent and possibly divergent interests from the principal. For other types of theories, however, IOs are not so much agents that have divergent interests from states, as in P-A models, but are rather to be seen as “tools” under the (complete) control of a hegemon. A case in point is some of the literature on the IMF, where it is seen as an extended arm of US foreign policy (Kahler 1990). Here, IOs may be seen as conditional agents: they may have scope to act and take initiative, but only as long as they dance to the tune of their most important funder or creator. This is an important distinction, for it means that the conceptualization of the IO as an agent does not flow from a prior theoretical commitment, as in P-A models, but can be collapsed into the institutional power structures through which powerful states rule other states (cf Barnett and Duvall 2005).

Barnett and Finnemore’s (2004) seminal work took the description of IOs as bureaucratic as their theoretical point of departure. Whereas rationalist and institutional theories would not object that IOs are bureaucratic, this attribute has little significant for the theoretical model they construct to explain IO behavior. Barnett and

Finnemore lean on a broad interpretation of Weber's discussions of bureaucracy to argue that the nature of bureaucratic organization establishes a level of autonomy from the environment, which means that there is potential for IOs to also be authoritative. The price paid for this is that the theory does make substantive claims, in advance, about what an IO looks like. It is organized around a claim about IOs' bureaucratic features and its attendant sources of authority, be it expertise, rule-following, or even moral values.

In sum, for all the differences between extant theories of IOs, they all share one key trait, namely that IOs are actors with a set of distinct attributes. The most significant difference between these theories have more to do with the fact that rationalist theory tend to explain IO behavior by looking at the dynamic *between* states and IOs, whereas constructivist theories borrow more heavily from insights about the bureaucratic characteristics of IOs to make claims about their *authority*, thereby locating the explanatory thrust primarily with the IO itself. As such, these are not so much rival theories about what IOs are (they both see them as bureaucracies), but about what explains their behavior and their impact on political outcomes.

As we set out below, place primary explanatory value on the socially produced material from which IOs are forged and evolve over time. We do not delimit our focus to the culture or organizational attributes of any given IO because we can see no prima facie good reason why we as analysts should reproduce the boundary between an IOs inside and outside as the point of departure of our analysis (Sending and Neumann 2011). We can think of this as a gestalt shift, where we now see IOs emergent phenomena whose boundaries, organizational form, and mode of operating is the result of, explained by, the shifting value registers and skills of the professionals that populate the environment in which IOs operate.

This shift in explanatory focus is in part motivated by a broader concern with the problem of theoretical reification of types of actors. McAdam, Tarrow and Tilly argued, for example, that the use of fixed analytical categories of types of actors represent an undue simplification, for "movements, identities, governments, revolutions, and similar collective nouns do not represent hard, fixed, sharply bounded objects, but observers' abstractions from continuously negotiated

interactions among persons and sets of persons” (2001, 12). In short, we want to avoid treating IOs as an ontological category and turn it into an analytical one.

In opting for such a focus, we capitalize on an often neglected distinction between two broad categories of analyses in the social sciences between one that focuses on the interaction between pre-constituted actors, and one that focuses on the constitution of those very actors (Lefort 1988). In so doing, we edge closer to the world polity model advanced by John Meyer and his colleagues, whose work focuses on the constitutive effect of the macro-structural environment in which actors operate (see recently Kim and Sharman 2014). Here, IOs are seen to “enact” rationalized myths of what it means to be a “modern” or “rational” organization (Meyer and Rowan 1977; Meyer et al 1997). Our view of IOs as open systems bears some resemblance to this model in that IOs are seen as a product of how shared structural factors are used to construct and reproduce a distinct actor with attributes valued by relevant others. There is a consciously structural argument, however, where the heterogeneity of organizational forms and types of IOs gets lost, since all IOs are assumed to be derived from, produced by, a macro-structure. Where rationalist and constructivist theory tend to reify actors, the World Society approach reify structure, leaving us with few tools to account for the causal mechanisms at work in the establishment of IOs or for the variation between IOs in how they respond to or enact broader structural changes. As we set out below, we turn to W.R. Scott (1981, 2003) for some clues on how we may see international organization as an open system. A focus on IOs as open systems can accommodate such a focus on mechanisms of change and stasis within and across IOs.

## **2. Closed and Open Systems of International Organization**

The theorization of how IOs operate in world politics, and particularly in how they engage in international organization, can be typified as IOs operating in what we call ‘closed’ and ‘open’ systems. Systems, in our conception, are characterized by their processes rather than their functions (cf. Easton 1965), by how actors interact with each other and their social relations of constitution (Barnett and Duvall 2005).

Our first point of departure in moving from a view of closed to open systems is to question the central role of a Weberian conception of bureaucracy in international organization. Weber differentiated bureaucratic agencies (public sector) and enterprises (private sector) by the assignment of official duties, authority to give commands, and selection of only those qualified to execute them (Weber 1978: 956). This formalization of bureaucracies by function informs our thinking about public and private forms of organizations, as well as the characteristics of the agents who work within them, such as notions of public vocation versus private profit-seeking.

The conventional view of IOs views them as bureaucracies that embody rational-legal authority, that function well due to their capacity to breakdown tasks and assign them to offices best equipped to deal with them. Barnett and Finnemore draw directly from Weber's view of bureaucracy as their conceptual building block for studying IOs, viewing bureaucracy as a consequence of "unfolding" rationalizations in modernity, following a drive for administrative efficiency and rational-legal authority (Barnett and Finnemore 2004: 18-21). World Society scholars tend to agree that the common form of bureaucracy is a consequence of rationalization and modernity (Meyer and Jepperson 2000).

However, the Weber's view of bureaucracy emerged as part of his interpretive sociology, not as part of the functionalist sociology employed by his post-war admirers. Weber's view of bureaucracy in *Economy and Society* locates an ideal type that, as with his work generally, is constructed to be tested and rebuilt when they no longer are accurate. From this view bureaucracy is a form of organizing that belongs to a historical process that is not linear. For example, Weber writes that agents of private capitalism conventionally were involved in the bureaucratization of armies, often with the soldier owning his own weapons and horses and providing his services for a fee. This was the case even when the state was a purveyor of uniforms (Weber 1978: 981-982). There is no automatic reason why the conception of bureaucracy as exclusively public agencies could not slip back into this territory of muddled boundaries between the public and private sphere.<sup>1</sup>

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<sup>1</sup> The literature on New Public Management in administrative sciences has made this point for some time (Hood and Peters 2004).

So we take from Weber the drivers or engine of what he saw materializing as bureaucracy, but discard the bureaucratic form as necessarily stable and analytically meaningful for studying IOs. In a different setting, Andrew Abbott has similarly argued that the bureaucratic form is not very helpful analytically because what matters is less bureaucratization of professions than the emergence of the “multiprofessional environment” where “Welfare bureaucracies, criminal courts, business consulting firms, ... illustrate less the contrast of bureaucratic and professional authority than the conflict between the many forms of professional authority” (1988: 151). Contemporary IOs, we argue, operate in such an institutional ecology that are similarly characterized by such multi-professional environments.

We think such a conceptualization of IOs is particularly apposite not only because of the tendency in extant scholarship to overlook the causal forces that produce, and reproduce, a bureaucratic form. There are also particular features of the environment of IOs that should make us question whether the type of bureaucracy that may emerge is similar to that found in national settings. In national settings bureaucracies can be seen to compete for control over an issue or jurisdiction where it is a given that some bureaucratic actor is to have authority over it. The question is not whether there is something to have authority over, since that is presumed to rest with the sovereign state. IOs operate in a very different realm, not only competing with each other – as in the bureaucratic politics view – but simultaneously seeking to convince relevant constituencies that this is an issue that requires international action. Any particular IO have to establish a claim to authority over an issue or task while at the same time seeking to establish themselves as the actor of choice for states to invest resources in to govern it. In a sense, the bureaucratic politics view seems less relevant for capturing the world of IOs because there is no ultimate arbiter, in the form of an overarching public authority (cf Eriksen and Sending 2013), that can “settle” which IO is to have jurisdictional control over an issue area.

Table 1, below, distinguishes closed and open system and the scholarly emphasis on how IOs act as a consequence of state design or on cultures within and around IOs.

Table 1. Closed and Open Systems of International Organization

	<i>Design</i>	<i>Culture</i>
<i>Closed</i>	Principal-Agent	Bureaucracy
<i>Open</i>	Orchestration	Ecologies

In the top-left corner we have *Closed-Design* literature that focuses on principal-agent dynamics around IOs. Key themes here are acts of delegation by states to IOs, the role of collective and multiple principals in informing how IOs behave, and issues of preventing agent slack, slippage, or shirking (Hawkins et al. 2006). This work, as noted above, also concentrates on how IOs are the product of rational design by states, including how they treat issues of uncertainty about the world (Abbott and Snidal 1998; Koremenos et al. 2001). When referring to professional staff in IOs the view here is ‘people who administer the organization as their livelihood and are paid to do so’ are the core IO staff (Volgy et al. 2008: 853). Professional dynamics occur within the established P-A relationships, which establish the boundaries for the closed system and the acts of delegation that provide the source of agency.

A recent development from this literature is the recent scholarship on ‘orchestration’ (Abbott and Snidal 2000; Abbott et al. 2014) that can be characterized as *Open-Design*. Here the emphasis is on IOs are shifting from rule enforcers to governance enablers. Through acts of orchestration IOs have power in fostering intermediaries to link to target groups on the issue of concern. By moving from orchestration to intermediary to target (O-I-T theory, Abbott et al. 2014) IOs are able to be more effective on softer forms of governance, including standard-setting. This new work complements work on the role of IOs in ‘hybrid governance’ (Schemeil 2013). Here, the range of organizational types is more varied than in the rational design literature, including explicit mixing of organizational types to create hybrid forms between state, firm, and NGO-based forms. This work still fits into the Design body of thought in seeking to differentiate how IOs engage in orchestration by sector and issue while maintaining a fixed conception of what IOs are. As such, there is a broader notion of distributed agency in this literature but the chain of command follows the logic of

delegation, that IOs should assemble the range of experts and agents required rather than agency being more generally distributed within the system.

In the upper right we have the *Closed-Culture* literature. This is drawn from Barnett and Finnemore's (2004) view of bureaucratic pathologies developed and socialized by bureaucrats and experts in IOs. From this view Staff within the IOs develop pathologies such as 'irrationality of rationalization', 'bureaucratic universalism', 'normalization of deviance', and 'insulation'. These pathologies evolve from an internal culture within the organization and produce policy distortions. The pathologies are being ultimately assessed from an external benchmark and once they develop they take on a structural socialization property, that, for example, once you have been at the IMF, for example, then you behave in a particular way (Chwieroth 2010; Nelson 2014). There is little wiggle room in this conception of socialization and once socialized behavior follows a logic of appropriateness (Sending, 2002). Kate Weaver's (2008) work on the World Bank provides an example of organizational culture within what can be depicted as a closed system. Her study of the culture inside the Bank, including the development of 'Bankese' as a language, points to what are essentially norm violations between mandate and practice, captured under the idea of hypocrisy (à la Brunsson). The organizational culture within the Bank permits these contradictions. Other scholarship on 'norm cycles' within IOs or how IOs make their member states 'legible' treat IOs as silo-type spaces of interaction (respectively, Park and Vetterlein 2010; Broome and Seabrooke 2012).

Our bone of contention with the pathologies literature is that cultural influences affecting how staff behave may not only come from within the international organizational culture. Indeed, we contend that there is a general change happening to professionalism across IOs that make us question the analytical validity of drawing too sharp a distinction between organizational culture on the inside and environmental factors on the outside.

In the bottom right we locate our approach as *Open-Culture*, viewing IOs and the professionals they work with as part of an institutional ecology. The most obvious contender for an *Open-Culture* view of IOs is the World Society approach, as noted

earlier. Here professionals are only about to theorize change within the normative and culture structures dominant in the current epoch. Norms and practices can be diffused to a range of actors from a range of professionals – typically from IOs and NGOs – within the cultural constraints. Kim and Sharman (2014) provide a recent example of this approach applied to corruption and human rights crimes. They argue that modernist worldviews created the anti-corruption and human rights movements and that professionals engaging in theorization to push them forward were engaging in ‘bounded agency shoved and shaped by structural boundary condition’ (Kim and Sharman 2014: 27). Their argument is that when one ‘zooms out’ there is a great deal more structure than agency, and that contemporary constructivist thought overplays agency.

We draw from W.R. Scott work on organizations. His distinction is between rational, natural, and open systems. Rational systems operate according to their formal structures. Natural systems tend to focus on relationships within the organization and the power of dysfunction among workers. We consider both the rational and natural systems to be ‘closed’ systems in that they presume that the relevant activities are taking place within them. Outside influences are secondary questions. Open systems display coalitions and alliances among actors who rely on resources from the general environment without conforming to rational or natural systems (Scott 1981: 109). Here organizations and those working with them observe not only exchange relationships within organizations, but also the presence of equivalent systems in other organizations (Scott 2008a: 435). Opportunities abound within these open systems. For Scott, an earlier view that that organizations were encouraging individualism and “openness to new ideas” (Scott 1981: 300), is sustained through the view that professionals are now “lords of the dance” in building and mediating between institutions (Scott 2008b).

Our open systems approach complements Kim and Sharman in recognizing that cultural influences outside of formal organizations are important, yet we contend that by zooming in we see not bounded agency but a mix of distributed and delegated forms of agency. Our approach to open systems is derived from work on ‘linked ecologies’ between professionals, institutions, and issues (Abbott 2005; Seabrooke 2014a), as well as from work on transnational professional communities (Fourcade

2009; Djelic and Quack 2010). The linked ecologies approach has been applied to transnational professional interactions on issues such as financial reform and demographic change (Seabrooke and Tsingou 2014; Seabrooke and Tsingou 2015), as well as to IO-academic networks (Stone 2013). A strong element in this approach is that a range of professional actors compete for jurisdictional control over issues and how they are treated. They compete and cooperate within what is understood as an ecology, which denotes that interactions are not totally independent nor constrained, existing between an atomized world of rational actors and a world where only the logic of appropriateness dominates. Indeed, the competition and on-going debate over what is to be governed, how, and why over time produces a particular institutional environment where all actors share a “thin” interest in the importance of a particular topic or issue, but where they advance different “thick” interests on how something should be governed and by whom (Hoffmann 1999; Sending 2015). In this ecological thinking agents work through institutions to establish alliances and coalition across and within professional groups over how to treat issue (Abbott 2005: 248-252).

From this viewpoint an IO is an arena of action within an open system where different actors may use other types of institutional resources as they attempt to also control issues and construct authority. The framework suggests that organizations are involved in delegation-type relationship, particularly where an alliance is closely aligned to a particular organization and has strong control over an issue. But it also notes that in many transnational case agency is highly distributed, with questions of strategic rule-making operating in recursive cycles alongside incidental institutional building (Quack 2007; Halliday and Carruthers 2007). Actors within these environments may be able to exploit differences between pools of knowledge among professional groups to try and dominate issues (Seabrooke 2014a) and/or switch identities in different social networks to make sure they are represented among different groups (Seabrooke 2014b).

Particularly important for the institutional ecologies approach is the view that professional groups compete and coordinate to link issues and define how they are treated, as well as to draw boundaries over who is best equipped to address the issue (Abbott 2005). Importantly this means that organizations, including IOs, do not

control issues via mandates but through professional expansion and/or coordination. This perspective also allows the view that some IO permanent staff may share more affinities with a transnational professional culture than within in-house pathologies. This is indeed what we suggest is going on in many IOs. Table 2 below attempts to specify our empirical focus and to pinpoint what we expect as key drivers of change and stability within and across IOs.

*Table 2. Drivers and Elements of International Organization*

	<i>Rational Design</i>	<i>Bureaucratic Culture</i>	<i>World Society</i>	<i>Open System</i>
<i>Core Feature</i>	Agents of states	Bureaucracy	World Polity	Ecologies
<i>Causal Mechanism</i>	State preferences	Mission Creep/ Bureaucratic Politics	Enactment and Emulation	Boundary drawing and issue linkage
<i>Causal Chain</i>	States > IO	IO > State	Norms > IOs	Jurisdictions > IOs
<i>Issue Control</i>	Mandate	Bureaucratic	Isomorphism	Tasks
<i>Issue Treatment</i>	Delegated	Expertise	Diffusion	Jurisdictional competition
<i>Agency</i>	Delegated	Delegated	Bounded	Distributed
<i>Staffing</i>	Command	Command	Cooperation	Competition
<i>Practice</i>	Independent	Pathological	Subsumed	Recursive
<i>Professional Value</i>	Occupational	Occupational	Organizational	Organizational

Our open systems approach has important ramifications for how we understand the culture of IOs and culture in IOs (Nelson and Weaver 2015). In order to account for the dynamics inside and around IOs in terms of the establishment of new modes of working and the promotion of new policies, we must adopt a thinner conception of culture than is typically done in attempts to theorize IOs with reference to organizational attributes. This 'thin' conception of culture leads us to see IOs as structured environments where new practices and ways of doing things are developed and promoted to states. In so doing, we build on our own work on IOs (Seabrooke and Tsingou 2009; Sending and Neumann 2011) to advance a view where an IO's boundaries must be empirically identified and explored rather than a priori defined. Moreover, as noted above, norms and rules are seen as key elements of the production of demand for IOs' services, a demand that IOs can meet by producing and selling their services, thereby securing or expanding their jurisdictional control over an issue-area.

The virtue of this approach is that it becomes possible to explore in more detail how professional networks cuts across IOs and how learning, or transfer and adaptation of skills and best practice, is not only internal to IOs, but goes on across them as well. For example, it is the density of professional networks of Human Resource Managers and the extensive use of consultants with market-based skills (performance based management, risk management etc), we hypothesize, that helps explain how most major IOs now operate on the basis of results rather than rules. And if so, IOs can hardly be conceptualized as bureaucracies in any meaningful sense of the term, which in turn implies that the homogeneity of views or norms-driven behavior that is often attributed to staff of IOs, is misleading. Thus, while we would want to retain core insights from the culturalist-institutional approach, we do so by sticking closer to the original formulation as found in the works of DiMaggio and Powell (1983; Powell and DiMaggio 1991), where organizations are seen to be structured by their environment, but in a differentiated and open-ended way, depending on the particular interface of an organization with its environment. The upshot of this is that it matters what kind of interface an IO has with its relevant others: professional networks that cut across IOs may be as important, if not more, in identifying and accounting for where new practices of governance may be forged in competition between distinct groups.

More generally, our analysis has aimed to foreground the Weberian insight that IOs are emergent phenomena, being the product of the competition over the specialist division of labor. If drivers of bureaucratization and rationalization are, as in Weber as in the works of Norbert Elias, that different status groups compete over the specialist division of labor, this also applies to international organization. We take a Weberian approach to international organization, but we do so by consciously seeking to avoid making too strong claims about how such competition over the specialist division of labor manifest itself within and across international organizations. Viewing international organizations as open systems, within which professionals compete to define issues and how they are controlled, invites us to see how the organizing of international organization is changing.

### **3. Changing Professionalism across International Organizations**

Work in the sociology of professionals suggests that professionalism is a ‘third logic’ that is distinct from bureaucracies and from markets (Freidson 2001). In this conception professionalism the agents, the professionals, work towards goals they value, which have been given to them through formal training and belonging to professional associations (Abbott 1988; Evetts 2013), or through how they organize. Recent research on the transnational sociology of professions suggests that professionals who are transnationally active, as with those working for IOs, increasingly work towards organizational values rather than occupational values; that a common way of working across different national contexts is more important than how someone was trained (Faulconbridge and Muzio 2008; Faulconbridge and Muzio 2011). We suggest the professionalism contains a logic that changes how people work in bureaucratic and market environments, with influences from both bureaucratic and market logics. As described above, scholars of IOs know a great deal about bureaucratic logics, but less on market logics. Our study suggests that professionalism as a way of organizing across different environments, and different types of organizations, is changing going on within and around IOs.

Table 3. –Sources of Influences on Professionalism in International Organizations

	<i>Direct</i>	<i>Diffuse</i>
<i>Internal</i>	Management politics	Organizational culture
<i>External</i>	Donor preferences	Transnational professions

To structure the discussion the subsequent discussion of changes within and across IOs, we use Table 3, above. The different sources of influence are *dimensions* that are at work in shaping what IOs are and what they do. Our job as analysts should be to make carefully based assessment of the particular configuration and relationship between these sources of influence. In that sense, table 3 is both a summary and statement about our privileging of transnational professionals (external diffuse) and an argument for at the same time trying to retain a focus on the drivers that other approaches highlight. It is an argument against mono-causal analysis. A focus on transnational professionals gives us an empirical handle on the elusive boundary between an IOs inside and outside and on the ecology within which any given IO operates. As such, a focus on transnational professionals is an *empirical strategy* to capture IOs as open systems and thus something that can facilitate a gestalt shift towards seeing IOs as organisms whose identity is shaped by its environment.

We have conducted interviews with policy and human resources staff from a wide range of IOs. The IOs chosen represented a mix in terms of size and staffing, as well as our access to managers and staff based on previous experience. The institutions visited include the Department of Peacekeeping Operations (UN), the European Investment Bank, the Food and Agriculture Organization (UN), the International Monetary Fund, the United Nations Development Programme, the World Bank Group, the Organisation for Economic Development and Co-Operation, and the United Nations Project Services Office (UNOPS). In addition, we also conducted interviews with private firms involved in the recruitment of international workers, such as DEVEX, who hire for IOs, NGOs, and national aid agencies. The aim of those interviews was to get a preliminary sense of what the practitioners themselves referred to as a highly

professionalized 'consultant community.'<sup>2</sup> Interviews were also conducted with those involved in providing professional and career information. The picture that emerges is one that have by and large escaped IO scholars, for what emerges is a world where one is hard pressed to find the Weber's ideal type of bureaucracy, and it is produced by factors that cannot be reduced either to donor preferences (external direct), to management decisions (internal direct), or to a pre-existing organizational culture (internal diffuse).

We link the emergence of a changing conception of professionalism in accordance with transnational organizational values to two trends, one generic having to do with the introduction of market-based thinking also within public bureaucratic organizations (New Public Management), and one specific to organizations operating specifically in a transnational professional setting. Our take on IOs as dominated by professionals should not be taken to imply that we read homogeneity into IO behavior. Staff within IMF and UNDP do not, of course, assess poverty and growth in similar terms. On the contrary, professionals of different stripes jostle for positions among peers, engage in prestige marking, and seek to advance skills and new work practices as part of their efforts to secure control and influence over others within and beyond the organization. But the changes we document are nonetheless significant for what IOs do and how they do it. Witness, for example, the on-going debates at the UN General Assembly between the G-77 and OECD countries over a so-called "compliance" v "results" approach to management: the G-77 want to retain a focus on compliance with bureaucratic rules, while OECD countries typically want to introduce results-based measures (Andersen and Sending 2010). A compliance approach implies that member states in theory has more direct control over IO staff behavior, through specification of rules for what to do, coupled with ex post facto oversight. A results based approach, by contrast, implies that member states govern IO staff behavior more indirectly, allowing staff more leeway in how to organize work and resolve specific tasks. Against this backdrop, the changes we chart and seek to explain below have significance not only as to how and why IOs change, but also for the very relationship between IOs, states, firms, and civil society groups.

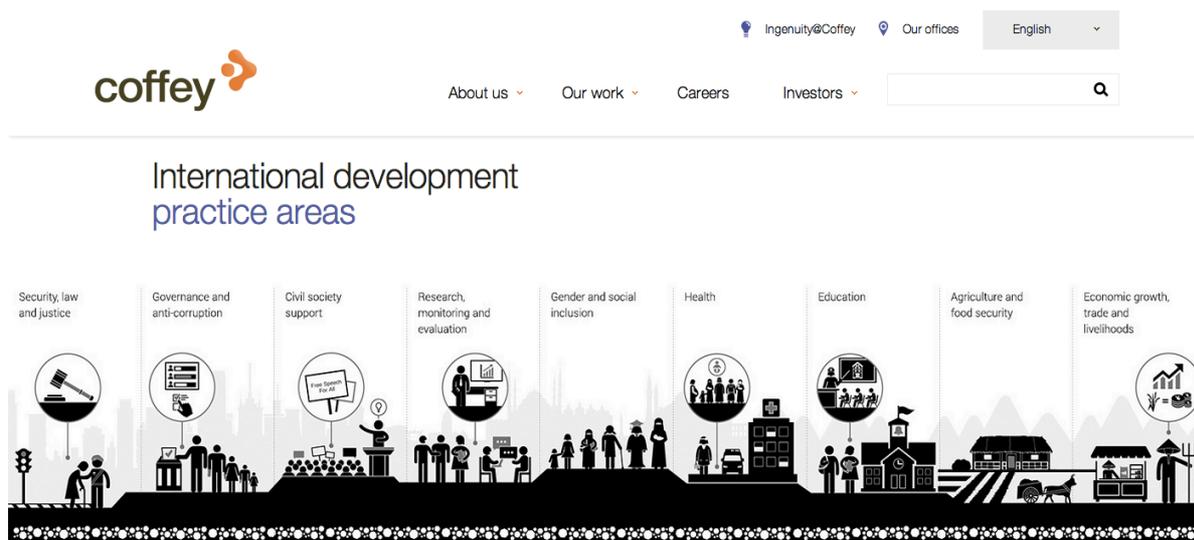
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<sup>2</sup> Interview, DEVEX1 March 2012.

## *The Market for IO governance*

The particular form of international organization that was prominent in the twentieth century, noteworthy for the centralization of resources into the hands of the state and its national and international bureaucracies, is a historical abnormality. When we look at the world of global governance, there are a range of non-governmental and for-profit organizations that engage in work that is similar to that of IOs (Hall and Biersteker 2002; Neumann and Sending 2010). Organizations such as Oxfam and the Red Cross are arguably more important, and authoritative, on key aspects of humanitarian relief than many IOs, such as OCHA. And large consultancy firms, like Coffey and KPMG, have specialized service lines that mirrors those of IOs, engaging in everything from governance reform, judicial capacity building and engaging with civil society in post-conflict settings. (See Figure 1 for an example).

Figure 1. Coffey's International Development Practice Areas



Some NGOs are actively adopting a consultancy-like form and style because it has greater political traction and legitimacy (Seabrooke 2011; Seabrooke 2015). This aspect of global governance is lost on the literature on IOs because IOs are here treated as an ontological category rather than an analytical one. We therefore lose out on an account of how IOs, and other actors, may coevolve and be transformed that has little to do with any organization's internal features, but very much to do with the shared institutional environment in which they all operate.

Two decades ago, the UNDP had significantly larger shares of core funding and a solid position vis a vis other IOs in doing development work. Today, the share of UNDP's core funding is rapidly decreasing and the UNDP is currently seeking to reform its operations, cutting staff, benefits of staff, and moving people from New York headquarters to field operations (Mühlen-Schulte 2010). Interviews with UNDP staff and with representatives of donor governments indicate that UN organizations whose focus is on delivering products and services that other actors can buy are emerging as the model against which UNDP is being assessed. UNOPS is a case in point. It is selling logistical services to other IOs, including to UN funds and programs on market terms. It explicitly seeks to move from a donor funding base and project financing base to a consultant-like fee generation revenue base.<sup>3</sup> As seen from donors, this is what the UNDP should be doing: to sell services that others are willing to pay for, whether for policy advice or managing the implementation of concrete projects.<sup>4</sup> This is already happening to a certain degree: the World Bank has begun to use the UNDP (and other UN actors) to implement specific programs.<sup>5</sup>

Importantly, the push to cooperate with other IOs and to think in terms of services and products to be sold on an international governance market is part of the internal pressure within all IOs to operate on the principle of "full cost recovery": all sub-units of the World Bank – for example the Fragile States group and other best practices" and "service lines" - are to charge other units within the Bank for their services. This push towards market-based logics both within and between IOs has more recently emerged as an overall theme also for the Bank as an institution, with demands from donors and from Bank president Kim to explore how to get the private sector to invest in Bank operations. One of the most prominent issues during the current replenishment negotiations for IFAD – the joint UN and World Bank agricultural financing arm – and IDA revolve around the need to get private investors onboard.<sup>6</sup> In the same vein as this trend is frequent cooperation with what can be understood as international development firms, like Coffey (Figure 1), that are contracted to oversee good governance implementation in national reform programs.

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<sup>3</sup> Interview UNOPS, October 2013.

<sup>4</sup> Interview, UNDP New York November 2012

<sup>5</sup> Interview, World Bank staff, August 2014

<sup>6</sup> Personal communication with official with Norwegian MFA, September 2014.

This general trend towards market-based solutions is perhaps best exemplified in GAVI – the alliance between governments, philanthropic organizations, pharmaceutical corporations and IOs to produce and disseminate vaccines. A public-private partnership, voted “best development actor” in a global review of aid effectiveness two years ago, GAVI has all but replaced WHO as the authoritative actor on health matters (refs). WHO is the UN systems formal authority on public health, and yet it is increasingly challenged by actors like GAVI, with donors flocking to public-private partnerships and to actors that can produce and demonstrate their “value” in an on-going competition. Both the changes at the UNDP, and the fate of WHO relative to GAVI, cannot be explained by internal factors. It can in part be explained by donor policies and thus a “external direct” source of influence over IOs. But the relative loss of authority for WHO is difficult to explain with reference solely to external pressure from donors, since the very same donors that form part of the World Health Assembly have been instrumental in establishing GAVI. WHO is also part of GAVI itself. Nor can these changes be explained with reference to solely internal features of WHO. Our wager is that this is driven by changes in the broader ecology of IOs – and thus akin to a world society approach. But the more we ‘zoom in’ on these changes, a picture emerges that does not fit that picture that well, because of the variation across these IOs, where different strands of professionals populate and respond to and re-make their respective organization in light of templates and professional norms that are both internal to the organization and external to them.

### *IOs and Clients*

A similar pattern of market-based logics is on display at the World Bank, which indicates that the relationship between the Bank and states is not one of a bureaucratic actor that seeks to regulate or govern others. That is: whereas the Bank defined itself as a “Knowledge Bank” from the late 1990s onwards, it is currently seeking to present itself as a “Solutions Bank” and it refers to recipients of loans as “clients.” The ongoing reforms are aimed at aligning the internal organization with what is identified as the overarching objective of creating demand for Banks services.<sup>7</sup> The new “global practice” stream is supposed to identify and bring best

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<sup>7</sup> Interviews, World Bank, August 2014

practice to potential clients, and internal training and competence building is currently being reformed in an effort to introduce joint training of World Bank Staff and potential clients. The thinking is that demand for Bank services can be created and maintained when Bank staff engages in joint training with potential clients from borrowing states.<sup>8</sup> Against this backdrop, IOs are not in the first instance aiming to transform behavior of states, but to continue to demonstrate their relevance and create demand for their services. Trends in international banking, such as Global Relationship Management, have led to the same term being used inside IOs for professionals to oversee the relationship between the bank and a client to ensure continuity.<sup>9</sup> These logics of corporate oversight and client satisfaction are becoming more prevalent in IOs and generating frictions. A similar situation can be seen in the IMF where in some programs, such as the Financial Sector Assessment Programme (FSAP), there is a clear perception among managers that client demand is that FSAP teams should include IMF staff with market experience and certainly not staff who have become to bureaucratized. Such changes are external-direct in demands from member states while also having a clear impact on the internal direct culture since some staff are favored over others for a perceived inadequacy of internal organizational culture (Seabrooke and Nilsson 2014). Like firms, IOs' primary objective is survival and expansion of market shares: what matters is less whether they are effective in promulgating certain norms than that core constituencies continue to see them as relevant and thus to invest in them and "buy" services from them. Seen in this context, IOs use rules and norms in the same way that professions use expertise to expand markets and jurisdictional control (Fourcade 2009): Rules and norms are advanced and pushed in a "package" as a tool to define and "sell" services to clients, where the rules are not so much aimed at creating norm conformity but a standard against which possible clients are assessed by others, which in turn create demand for IOs services. In short, they are used to create demand for IO services, this demand being a product of how IOs, NGOs, and donors communicate with client states about what it means to be a modern state and a competent sovereign (Neumann and Sending 2010; Bartelson 2014).

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<sup>8</sup> Interview, World Bank, August 2014.

<sup>9</sup> Interview with EIB1, EIB3, June 2012.

One way to assess the changing environment for IOs and their staff is to assess trends in how staff are remunerated, evaluated, hired, the relationship between permanent staff and consultants, and if having a consultancy position is a gateway to employment in an IO. These factors bring together, as discussed below, in particular internal-direct sources of influence as managers implement changes onto their staff, and also external diffuse influence as many of these trends come from a transnational professional cultural environment that is mainly rooted in the private sector.

### *Pay Systems*

IOs differ in the emphasis within their pay systems for permanent staff, with some favoring merit pay systems, while others pay staff on incremental scales based on rank or tenure in the organization. These pay differences obviously have implications for how international workers consider the IOs and the incentives presented to them to work for them. The IMF and World Bank have merit or performance pay systems, with the World Bank managers operating a 'merit matrix' to assess salary ranges.<sup>10</sup> Professionals seeking to work on development projects with the UNDP or World Bank know that the latter pay much better, in part as a reflection of pay for the permanent staff. The lower pay for short-term consultants does push professionals towards the World Bank and leaves the UNDP with less well-remunerated staff. From our interviews, this is an intentional strategy from the UNDP to reduce reliance on short-term consultants, to not attract those seeking higher pay, and to place indirect pressure on those above to loosen the purse strings on the permanent staff budget. Other UN agencies have taken the opposite approach, offering high pay for short-term consultants in order to cherry pick for specialist professional skills. This is indeed the case with UNOPS in Copenhagen, which a self-funding organization operating very much along the lines of a corporate model.<sup>11</sup> In a parallel to developments in the corporate world (Kang and Yanadori 2011), IOs engagement with performance pay reflects its introduction to gain greater credibility among its own staff and perceptions of the market for professional skills, in addition to the actual bottom line in what IO can provide within its budget constraints.

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<sup>10</sup> Interview, WB1, March 2013.

<sup>11</sup> Interview, UNOPS1, March 2013.

### *Performance Scorecards*

The forerunner on the use of performance scorecards and performance management has been the World Bank, with a long history of being more 'managerial' than the other IOs and introducing performance indicators based on project success and economic growth. The sharpest contrast is IMF where performance management has been largely qualitative and resisted by the staff.<sup>12</sup> For the IMF the timing of adjustment programs and long periods between the introduction of new policies and actual success, as well as professional incentives to spend time on academic research (Momani 2005), are reasons why assessments are soft, compared to World Bank assessments of project completion. Within the EIB scorecards were introduced around 2000 and then 'rolled out' to those working in the lending directorate at an individual level to encourage 'buy in'.<sup>13</sup> This reflects a shift from professionalism as an occupational value to an organizational or managerial one, and within an IO that maintains a traditional pay system and a frosty attitude towards management consultants.<sup>14</sup> The creation of scorecards, such as Accountability Scorecards, was linked in interviews to a need to respond to Corporate Social Responsibility, another trend coming from transnational professional culture.

In general, all of the IOs studied have performance scorecards to which professional staff must respond. This is a trend reinforced by the Association of Human Resource Managers in International Organizations (AHRMIO) in Geneva, a body with more than 60 IOs as members that facilitates mutual training of human resources staff in IOs, primarily through the Wharton School of the University of Pennsylvania.<sup>15</sup> The extent of joint training among HR staff suggests strong isomorphism despite significant differences in how the IOs are funded, governed and the professional diversity of their staff. We should not, however, overestimate the power of HR staff over professional IO staff, but note that the scorecard trend within IOs is, at the very least, introducing performance-based managerial logics to professional life. The introduction of such systems marks a shift from viewing professionalism as an occupational value – senior managers entrusting professionals to apply their

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<sup>12</sup> Interview, WB1, March 2013.

<sup>13</sup> Interview with EIB1, June 2012.

<sup>14</sup> Interview with EIB3, June 2012.

<sup>15</sup> During interviews the blue AHRMIO-Wharton School folder was frequently seen in the offices of HR staff from the IMF, EIB and World Bank.

specialist skills and abstract knowledge in a manner they see fit – to seeing professionalism via organizational performance. We noted in our discussions with the UNDP that the head of Human Resources had recently been hired from Ernst and Young, where he was in charge of their ‘global’ office. His task at the UNDP is to cut a quarter of the staff and introduce private sector thinking on staff management to assess the best means of doing so – including the active use of scorecards.<sup>16</sup>

### *The Role of Short-Term Consultants*

Figure 2, below, plots the basic change in the hiring of consultants within IOs we were able to obtain data from. The EBRD has consistently used consultants in a major way and the WTO and the OECD are consistent in not having a lot of consultants on their books. The increases from the World Food Program, the World Bank, and the IMF are noteworthy, particularly in the post-financial crisis environment. Drawing on our interviews, the prominence and role of short-term consultants provides an important insight into changing professional practices in IOs. The IMF and the EIB do not readily hire consultants to replicate core staff functions. The IMF hires consultants as experts on particular programs to fill skills gaps in the execution of programs that stretch the professional skill set available from the permanent staff (Seabrooke and Nilsson 2014). The EIB has expanded its hiring of short-term consultants to deal with demand generated by European financial and debt crisis, but from a low base and with the argument that most of the increased short-term staffing has been a response to internal work-life balance pressures.<sup>17</sup> The OECD uses short-term consultants but is actively seeking to minimize their use from a perception that they cannot compete with US-based IOs for contract-based economists, and from the view that consultants can create instability.<sup>18</sup> By contrast, the World Bank and UNDP rely heavily on consultants.

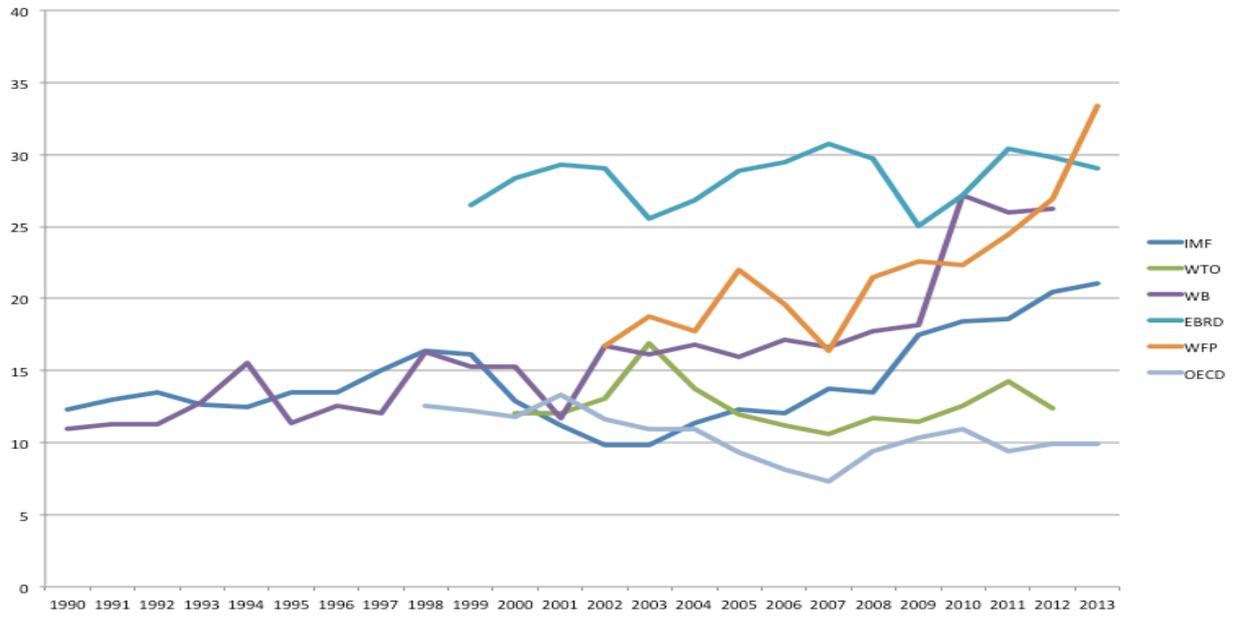
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<sup>16</sup> Case Study Integrity Meeting, UNDP HQ, New York, November 2013.

<sup>17</sup> Interview with EIB1, EIB2, June 2012. This includes staff hired ‘back’ from the IMF following the cutting and freezing of the IMF staff budgets in 2008.

<sup>18</sup> Phone interview with OECD, May 2014.

Figure 2. The Rise of Short-Term Contract Professionals in IOs



For the World Bank and UNDP the use of short-term consultants differs according to a demand for specialist professional skills or whether the consultants are replicating professional skills already present in the IO. For example, the hiring of short-term 'boutique' consultants in the UNDP was viewed by policy staff as very much a matter of technical capacity and convenience – that hiring permanent staff takes too long and emergencies and crises require immediate deployments, with potential consultants pre-vetted by the relevant department to ensure that there would be no problems, such as visa issues.<sup>19</sup> Short-term consultants are not to pose a threat to permanent staff. We were told that 95% of staff hired by the UNDP are employed for their programming profiles that differ from the permanent staff, including running project teams.<sup>20</sup> As such these consultants are not necessary providing professionalism as an occupational value, but as organizational capacity while also being on contracts that reinforce their need to acquire future contracts, and thus perform within the market for consultants and the consultant community.

In the case of the UNDP, departments run their own rosters for hiring consultants, placing much greater emphasis on professional esteem and trust in the filling of 'expertise gaps'.<sup>21</sup> One UNDP staff member noted that 90% of consultants hired had worked in the UN system previously and that the use of consultants was demand driven from country offices.<sup>22</sup> This treatment of short-term consultants is in strong contrast to the World Bank, who actively seek to hire staff on the assumption that the market for interesting work goes hand in hand with pay incentives that sort the wheat from the chaff. While the World Bank also has a decentralized search system that relies on each manager to have their own network and resources for some consultants, it also has 'Talent Search' and 'Executive Search' sections to hire, respectively, professionals and senior management.<sup>23</sup> One UNDP staff member noted that they encouraged hiring consultants who had worked for the World Bank, since they were a 'source of learning' on best practices<sup>24</sup>, while another noted that

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<sup>19</sup> Interview with UNDP1, March 2012.

<sup>20</sup> Interview with UNDP1, March 2012.

<sup>21</sup> Interview with UNDP3, March 2012.

<sup>22</sup> Interview with UNDP2, March 2012.

<sup>23</sup> Interview, WB1, March 2013.

<sup>24</sup> Interview with UNDP3, March 2012.

while it was a typical World Bank practice for staff to leave and form their own consultancies, this was uncommon in the UNDP.<sup>25</sup>

From the IOs interviewed the UNDP is the most internally and externally constrained, creating a difficult environment for professionals who identify more strongly with the ‘consultancy community’ than with the UNDP’s ideological goals. A consequence of this is that UNDP consultants are viewed as inferior to those working for the World Bank. Staff from the UNDP stressed that consultants hired should have knowledge of the ‘interest groups and political economy’ of the country or region they are working in, and that this was prized at the UNDP but occurring less and less, and that other IOs have no problem sending professionals from ‘Nepal to the Ukraine’.<sup>26</sup> Of course professional abstract knowledge is an important part of being a professional – being able to transfer particular knowledge and skills across environments – but the stress here is on programming and organization being streamlined. A former consultant commented on the hostility towards consultants in the UNDP by noting that consultants have to use the visitors entrance even when working for substantial periods of time, including the security-related annoyances that accompany that status.<sup>27</sup>

#### *Co-Working Between Consultants and Permanent Staff*

Professional practices within IOs may change significantly if permanent staff work alongside consultants who belong to a transnational professional culture rather than an IO bureaucracy. In the case of the IMF the hiring of consultants occurs in specialist areas, such as fiscal experts on particular regions and countries.<sup>28</sup> The same applies for the EIB, where short-term consultants may replicate skills already present, but tend to provide unique skills, such as sanitation specialists for particular projects.<sup>29</sup> Interviews with IMF staff stress how while the Fund is known for operating according to a clear hierarchy and that within it there was significant ‘turf protection’ on information and strategy among the permanent staff, short-term consultants were

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<sup>25</sup> Interview with UNDP4, March 2012.

<sup>26</sup> Interview with UNDP5, March 2012.

<sup>27</sup> Interview with former UNDP consultant, Copenhagen, October 2012.

<sup>28</sup> Interview, WB1, March 2013.

<sup>29</sup> Interview with EIB3, June 2012.

making the IO more flexible and responding to a senior management desire for ‘fresh blood’.<sup>30</sup>

At the World Bank there is a separation between Extended Term Consultants (ETCs), who are hired for 12 months and up to 24 months, and Short Term Consultants (STCs) based on fees with no benefits a work period of up to 150 days. The World Bank’s use of STCs has increased as a consequence of needs for budget flexibility, since these costs are moved over to the operational expenses rather than the staff budget.<sup>31</sup> For the World Bank contracted short-term staff frequently work in teams with permanent staff on a permanent basis. In the UNDP the story is mixed, with most consultants providing specialist skills, while for those with desired or overlapping professional skills UNDP staff engaged in knowledge management emphasize the importance of creating a ‘buddy system’ where knowledge is provided in addition to the formal contracting task.<sup>32</sup> Here is a dynamic more commonly seen in the legal profession, with larger law firms providing ‘free’ services to retain clients, also reflecting the importance of trust networks rather than a purer market-driven conception of skills provision.

As for permanent staff leaving the IO for a period acquire new skills, the most prominent example is the IMF’s ‘Leave Without Pay in the Interests of the Fund’ (up to 24 months with pension paid, frequently approved up to 36 months) and ‘Leave Without Pay for Personal Reasons’ (up to 48 months with no pension) that must be cleared by an External Assignment Committee, with departmental support following staff submission of a business case for the leave.<sup>33</sup> A search in the IMF archives indicates that this practice has been occurring at least since the 1984.<sup>34</sup> Such leave was granted for appointments such as acting as economic advisors to Prime Ministers, central banks, and economic ministries of member states. It has more recently been used for engagement with financial markets, with no staff losses so

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<sup>30</sup> Interview, IMF1 March 2012.

<sup>31</sup> Interview, WB1, March 2013.

<sup>32</sup> Interview with UNDP5, March 2012.

<sup>33</sup> Interview, IMF1 March 2012.

<sup>34</sup> An archival search for leave without pay was generated in March 2012. Leave was commonly granted for advising central banks and ministries, as noted, commonly in the Middle East and Africa, but also, for example, Sweden. Leave to the World Bank is also not infrequent.

far.<sup>35</sup> The EIB has a similar scheme, but without pension provisions, making professional mobility less attractive.<sup>36</sup>

In general there is also a trend towards valuing two particular concepts among the professional hired, as well as permanent staff: talent and mobility. The notion of professionals as 'talent' is particularly prominent in IOs based in the US, which are surrounded by substantive consultancy communities and where talent is linked to a combination of formal training and, particularly, diverse experience. The notion that staff should be mobile is based on a similar logic, with some IOs instituting compulsory mobility programs among their staff. The idea here is that long-term permanent staff who are not mobile are less competitive and not able to bring in lessons from the outside world and the private sector.<sup>37</sup> Talent contrasts strongly with vocation as key property for a professional to have to perform her job well in a bureaucracy. Similarly, in contrast to the view that the 'individual bureaucrat cannot squirm out of the apparatus into which he has been harnessed' (Weber 1978: 987-988), mobility is now prized as a way of keeping staff relevant. It is noteworthy that many interviewees discussed a trade-off between the need for diverse experiences among those hired and the widespread loss of institutional memory within IOs.

### *Gateways to Permanent Employment*

Within the 'consultant community' providing professional services to NGOs, aid agencies, and IOs, it is common for a one-year contract to be offered, and not uncommon for international workers to leave for better prospects, creating incentives to demonstrate short-term performance (Cooley and Ron 2002).<sup>38</sup> From interviews with the UNDP and World Bank it is clear from interviews that working on short-term contracts or as consultants is viewed as a gateway to permanent employment.<sup>39</sup> This is particularly the case for the World Bank where the notion of a 'golden ticket' is prominent, that being a permanent member of the World Bank leads to excellent work conditions (which are changing under marketization). From those interviewed there was a different perception at the UNDP, mainly due to the lower salary levels.

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<sup>35</sup> Interview, IMF1 March 2012.

<sup>36</sup> Interview with EIB2, June 2012.

<sup>37</sup> Phone interview with FAO, June 2014.

<sup>38</sup> Interview, DEVEX1 March 2012.

<sup>39</sup> Interview, WB1, March 2013.

In the IMF staff are commonly hired through the Economist Program, while the World Bank has its Young Professionals program, and the EIB has its GRAD program, all of which target MScs and PhD from good universities. The flow of staff from consultants to permanent staff may also move in the other direction. At the World Bank, the extensive use of STCs has had an impact on attitudes for hiring permanent staff, including a change in 2009 to change the employment framework away from permanent contracts to renewable contracts with terms of up to five years.<sup>40</sup>

We have outlined variation among the studied IOs in which ones favor consultants as a means to professionalism, and which ones resist outside trends to protect their professionals and, perhaps, their occupational value. In interviews with recruiters, it was noted that there is a trend for professionals with exclusively private sector backgrounds to enter work for IOs and NGOs.<sup>41</sup>

The picture we obtained from interviews is that IOs are not bureaucratic silos but institutional ecologies; that they have moved from closed systems of international governance to being part of an open system of transnational professional culture. This has important implications for how IOs treat the issues they work on, and how they establish the boundaries of their work. In general, and akin to the private sector, the prevalence of trends towards a consulting culture, especially around the World Bank, leads to the selection of professionals who can signal a capacity for rationality and organization at the international level, including use of best practices and standard reporting formats (Armbrüster 2004). Similarly, the certification of project managers is one trend, especially with 'program development' within IO mandated projects. International Association of Project Managers (IAPM) is becoming more important and there is increased demand for professional evaluation specialists who operate internationally.<sup>42</sup> Most of the consultants hired have a mix of technical expertise and business and program development experience, clearly adopting a view of professional as an organizational value that permits them to work in different environments.<sup>43</sup> It is difficult to see these changes in professionalism from a P-A model or as an internal organizational culture, and certainly the terms of engagement

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<sup>40</sup> Interview, WB1, March 2013.

<sup>41</sup> Interview, DEVEX1 March 2012; DEVEX2 February 2013.

<sup>42</sup> Interview, DEVEX1 March 2012.

<sup>43</sup> Interview, DEVEX1 March 2012.

between different professionals alters how IOs can behave as enablers seeking to engage in orchestration.

## **Conclusion**

We noted above that our view of IOs as open systems that operate in a distinct ecology has added value compared to extant approaches. We have noted how significant changes are being implemented in different IOs that revolve around how staff is assessed, hired, paid and so on. This picture of internal changes in IOs can and should be supplemented by a closer look at the operations of IOs and how the ecology in which they operate structures their operations.

Here we conclude with a vignette of a case as a sample of our thinking: the category of fragile states. This category is instructive for several reasons. First, the category of fragile states is a relatively new one, but is now a central “issue” or jurisdiction over which different IOs both cooperate and compete. Second, different IOs’ investment in developing new policies to meet the challenges of fragile states have important consequences both for the IOs in question and for the states placed in that category. Third, and most important for the task at hand, extant approaches are unable to account for the emergence of this issue as one that many different IOs invest in and claim a stake in addressing: both management decisions (internal direct) and donor preferences (external direct) can capture the decisions points and the push from donors to address it as a distinct problem. Our interpretation is that fragile states represent a concept that at a certain threshold level “pulls” different IOs in and compel them to partake in the debate and competition over how it is to be governed and by whom. That “threshold” is difficult to pin down empirically, but an important marker of this dynamic is that different IOs invest in, develop positions on, and seek to mark turf and ownership to it (Scott 1995). As such, our understanding of what IOs do with regards to fragile states is not to be located in any one organization, but in the particular relations they form with each other and important constituencies over this issue (Hoffman 1999).

The category of fragile states emerged in tandem with other concepts, notably “failed states”, “peacebuilding”, “statebuilding.” They all hailed from the practice of investing

in post-conflict reconstruction that became institutionalized from the early 1990s onwards (cf Barnett 1996). The concept of fragile states emerged as a central description for the challenge of operating in and producing development in countries plagued by violent conflict, persistent poverty, and weak governing institutions. In 2000, there were no organizational units within any of the major international organizations that focused on what we today call “fragile states”. In 2001, UNDP establishes the Bureau for Crisis Prevention and Recovery in an effort to secure UNDP’s position as a relevant IO in natural disasters, later expanded to include man-made disasters. Also in 2001, the World Bank established a task force and subsequently a funding mechanism for “low income country under stress” (LICUS), with direct reference to debates about “fragile states.” In 2002, OECD DAC initiated a process on “Cooperation in difficult partnerships” and in the following year, the OECD DAC and the World Bank co-chairs a “Learning and Advisory Process (LAP) on fragile states. After this initial discussions at the UNDP, OECD, and the World Bank on the same issue, 2004-2005 can be seen as a threshold where more these IOs invest more significantly in developing policies on the issue In 2004, the World Bank, UNDP, and UNDG co-authors “Multilateral Needs Assessments in P<sub>O</sub>st-Conflict Situations.” Also in 2004 the World Bank and OECD produces a report on “Alignment and Harmonization in Fragile States”. Moreover, the UN High Level Panel recommends establishment of Peacebuilding Commission in 2004, and the General Assembly in 2005 votes to establish an intergovernmental “Peacebuilding Commission” under auspices of GA and SC, and the “Peacebuilding Support Office” (PBSO) in the UN Secretariat, with specific reference to state fragility. In the same year, DFiD, SIDA, CIDA, and USAID all establish strategies for engaging with fragile states.

If we jump to 2008, we see the emergence of more sustained partnerships and cooperation between IOs, donors, and developing countries under the heading of the “The International Dialogue on Peacebuilding and Statebuilding.” established, with donors, developing countries, and IOs as members. In 2011, the World Bank launched its World Development Report on fragile states, with major policy proposals that include moving Bank staff from headquarters to field offices in fragile states, seeking closer cooperation with the UN, and suggesting that the Bank, and other actors, should move towards a “best fit” approach and be more pragmatic on

demanding conformity with their standards. At the same time, there is marked proliferation of both non-profit and for-profit actors that enter the debate about fragile states and seek to make their mark on how it is defined and acted upon. Oxfam launched its fragile states program, designed to deliver governance projects without going through state authorities. And KPMG established a permanent office in Hargeisa, Somaliland, to offer services categorized as “fragile states.”

For sure, elements of these developments can be explained by a convergence of donor preferences (external direct) on fragile states. And yet, it is hardly likely that donor preferences are *about* the category of fragile states as such, and so we need to account for where it is coming from, and why IOs started to invest in policy development long before donors did. There is element of mission creep here (internal direct) for sure, in that quite a few IOs are investing in and justifying its importance by linking it to core mandate, and yet that mission creep should take place within so many different IOs at the same time on the same issue indicates a different story. Similarly, an internal diffuse argument organized around organizational culture would run into difficulties insofar as the issue of fragile states represents a challenge to such an organizational culture, especially in organizations such as the World Bank (as discussed below).

Our contention is that the emergence and institutionalization of the category of fragile states tell us important things about what IOs are and how they operate: they invest in efforts to be seen as relevant and appear competent on whatever issue emerges as significant in their environment. But when we say “IOs” we mean the professionals – of different stripes – that populate different IOs who attend the same conferences, work in the same conflict settings, and where consultants circulate between different IOs. The dynamic is one where some new issue or task attain a level of prominence, making it a focal point for different IOs’ (and other actors’) investment and policy development. The driver resides not within any one IO, or in donors acting as principals, but in the relations forged inside and outside different IOs by professionals as they mobilize to define and “sell” a new issue to a broader constituency. Some such issues, such as fragile states, become significant because they define the register for IOs meaning-making and engagement with relevant others. And this register – or institutional ecology - represents material and symbolic resources that

professionals use to establish or dismantle organizational units, claim authority, cooperate with others, and seek to establish continued or increased relevance with “clients”. Through such on-going engagement, the internal organization and the allocation of resources within IOs change.

Finally, we tend as analysts to account for IOs in terms of whether and how they shape state behavior rather than treating them as objects of analysis in their own right. If we focus on what IOs do and how they change over time *without* making claims about whether they in fact do shape state behavior, a different picture emerges. Indeed, we argue that precisely because of a primary concern with how IOs may shape state behavior, extant theories have developed a view of IOs that preclude them from capturing some of their core characteristics as actors. On the strength of the above analysis, we see IOs not as bureaucratic actors, but as actors that are continuously seeking to demonstrate their worth and in the process changing their boundaries, internal characteristics, and mode of operations.<sup>44</sup>

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<sup>44</sup> This should not be surprising. After all, also diplomats are constantly being challenged on their claims to authority grounded in their control of the task of representing the state. As more governance arrangements are established both internationally and transnationally, diplomats are operating with and through a host of other actors to identify, negotiate and advance new modes of governance (Sending, Pouliot and Neumann 2015). The result is that diplomats’ claim to jurisdictional control is undermined by the emerging forms of global governance where a range of professional actors compete on a market to identify and offer new modes of governance.

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